

**DPW Commission Meeting
Wednesday, March 18, 2015
7:00 p.m. – Police Station Community Room**

Commissioner Gardner arrived at 7:10pm.

7:00 PM Approval Items:

Board of Commissioners Minutes Approval – this was postponed due to insufficient voting members present who were in attendance on 3/4/15.

Approval of Sale of Cemetery Lots

7:05 PM Open Session:

Open for Public Discussion with the Commissioners: T. Arsenian, 95 Granite Street, said he has been attending some Finance Committee meetings and is interested in the issue of solar credits. He is interested in whether the funds are going into the general fund vs. the enterprise funds, he said W. Hess said it was divided on the basis of metering. Director Parisi said we have a net solar agreement, which means that the company that built the solar ray in Methuen has an agreement with the town to accept the credits that National Grid offers that are pumped into the grid. They need users that have sufficient capacity to take on what they have. Gloucester electricity was consumed with the wind turbine. Director Parisi developed a Schedule Z, it indicates which bills will receive the credits. He said he chose the largest electric bills, some water and sewer bills and some general fund (street lights, Community House, etc.). Rather than having credits go on the bills, the town will be issued a check and the town will pay the solar company for their 90% share and Rockport will maintain their 10%. How are we going to allocate this, can the general fund take it all or should it go the water and sewer fund as the original Schedule Z reflected. W. Hess said the process will be that the gross amount of those credits will go into special account voted at town meeting (ATM), from that account the 90% payment to vendor will go out, then a transfer will go to the water fund, the sewer fund, and another transfer to the general fund. Director Parisi said the Schedule Z can be changed at any time.

Z. Seppala, 92 Granite Street, said at the last meeting he said he spoke about the Pigeon Cove Breakwater and the permitting process with timelines to be able to get funding. He spoke to G. Falco and she communicated the latest word from DEP in Boston regarding the adjudicatory meeting scheduled for May is now scheduled for mid-September. This will be at least 5-6 months before they even go before the DEP for the appeal. He said if Mr. Rauseo loses that appeal and takes it to Superior Court, this could go another year. He said T. Olson told him we have to go along to the benefit of the fishermen because it's a town owned piece of property that has to be maintained for their benefit. On the other side, if Mr. Rauseo prevails in court and does control the harbor he will be able to set the rates, he will be able to assign the moorings, he will be able to have the full rights that the legislature gave him when they passed along those amendments to be able to fill that in. If it turns out that all of the funding to repair that breakwater, while it does benefit the fishermen, also benefits him as a landowner on the other side for his private marina. If he controls the harbor he really gets to set the rates on everything, so he's the prime beneficiary. The breakwater out there seemed to be a case where nobody wanted to put \$32M to benefit a group of people, but we may be putting \$4M or so to benefit one. He said he just wanted to bring the Commissions up to date on the timelines on the hearings through DEP and possible appeals. He said M. Rauseo said at the beginning that he may have to develop this as an industrial use, we don't know if he was serious. The sign on the tin sheds out there was industrial and he complained to the Building Inspector that it violated town sign laws, so it was taken down and hasn't been replaced. He said the idea is that if that was to go to some kind of commercial use a lot of the problems with public access go away, because the commercial zone is going to be public access. He would have a very strong case that he does control the harbor if he is able to prove that it's for commercial uses, if he wants it for a marina and houses he's not going to get that. Chairperson Sena said this is not under the control

of the DPW. Selectperson Battistelli said the Atty. General is taking his claim very seriously and the hearing is going to be held in mid-September.

7:10 PM New Business:

Public Hearing on Transfer Station & Parking Sticker Fees: Commissioner Reed moved to open the public hearing on Transfer Station and Parking Sticker fees at 7:10pm, Commissioner Gardner seconded, Vote: 3-0.

Discussion ensued on whether to go single stream or dual stream. If Hiltz is the chosen vendor, we could go either dual or single stream, there will be an increase cost for single stream because of the additional charges for below threshold processing because there isn't a market for recyclable materials. There is a cost \$12 greater than the threshold all year. Some costs in the dual that are more stable are container hauling cost, monthly container rental, but co-mingle disposal is a locked in \$13.25 material, not the paper. There is a locked in rate between Hiltz and Casella for two years; the cost for a full year is \$29,400. There will be a net increase of \$20,000 to the transfer station budget if we go to dual stream. Dual stream is still separating out the paper, the costs are \$135/container of paper. We would keep one bin for paper and two bins for co-mingled; if they all fill up we would dump everything into another container. Commissioner Gardner questioned S. Kishida if she thought going to dual stream would increase recycling in town. S. Kishida said larger communities and those that have curbside service is where you will see more significant increases in recycling. She said Rockport really has triple stream currently. Chairman Sena said we need to consider the convenience for people's homes as well (storing trash in basements and kitchens).

Current fees for FY '16 include revenue of \$416,500; proposal for dual stream revenue is \$438,695. Current expenses for FY '16 \$469,924, proposed expenses with dual stream would be \$490,674; expense to revenue ratio remains 89%.

Commissioner Gardner said he is fine going with dual stream; he would like to consider adding the coupon revenue into this calculation, put the \$30,000 revenue into the stickers not the coupons. Commissioner Reed said he is fine with dual stream as well. Both Commissioners Sena and Reed would prefer single stream, but Chairman Sena said small steps might be better for now. Selectperson Battistelli said she is in favor of keeping the coupons for those who use them. Commissioner Reed said perhaps the coupon issue could be accomplished with City Hall Systems. Residents could order them on-line and print them out and hand it to staff at the transfer station. Director Parisi said a kiosk vendor may be able to help out with this as well; 8% of the total revenue is for the coupons. D. Greel said single stream is easier; three compactors would do it; one would be overflow. Sharon said most communities are going single stream. Commissioner Gardner said if we go single stream, we may be locked into single stream vendors. Chairman Sena said either way we're not making any changes mechanically, and single stream is an extra \$6,500. We could go back to dual stream depending on the economy. S. Kishida said workers compensation costs are lower for single stream vendors. Chairman Sena said we should have language in the contract to ensure compliance.

W. Hess, Finance Committee, said he wouldn't assume that all the revenue from any rate increases will go into the Transfer Station budget; it may be used to fund things that the town cannot afford.

S. Kishida said user fees are supposed to cover the service that they're paying for. You would need to make the case that those expenses are tied to the transfer station. Commissioner Gardner agreed, he said we can only set fees on our expected costs, we cannot presume to be increasing our fees because some of it is going to get taken away to pay for something else.

Director Parisi said we could look at this at Fall Town meeting, review it again in August to plan a change.

Selectperson Battistelli said the transfer station now is taking in less than it costs to run. Commissioner Gardner says it costs 11% more to run than is taken in.

T. Arsenian, 95 Granite St., said the transfer station is being operated like an enterprise fund now. The amounts cannot be increased on town meeting floor. Director Parisi said the 11% would probably increase to 12% or so.

W. Hess said revenue numbers are never printed in the booklets, just expense amounts.

Frederick Tarr, 89 Main St., said relating to the transfer station expenses, he endorses increasing the costs of the bags not the fees. He said that would encourage residents to recycle.

Eric Hutchins, 45 Poole's Lane, said there are hundreds of people that have no passes to use the transfer station. He said he'd like to know how many households do not have a sticker. He said there are people who throw away in one week what the average household disposes of in one year. He said incentives are important; we need a program with better incentives. You are increasing Pay-as-You-Throw by 10%, and flat fee is almost not being increased at all. He said flat fees need to go up. He questioned how many communities have a dual system like this; and how it could ever work.

Commissioner Reed said we couldn't change Pay-as-you-Throw in a meeting like this; we would need time to analyze this.

S. Kishida says she agrees with E. Hutchins. She believes the \$5 increase across the board is disparate. She said we need to take a step back; in Rockport you can go to the dump as often as you want. She said there is no incentive to reduce what is thrown away in this town.

Chairman Sena said town meeting voted to have the two systems, Pay-as-you-Throw and flat fee.

T. Arsenian said he doesn't know if \$5 is fair. He said incentives are not a proper thing to discuss. He questioned if the amounts charged for standard stickers covered their costs. If the calculations were done correctly, he said each group should cover their costs.

D. Greel said if we're losing summer help, we lose the staff that push the buttons; we need them full time on Saturdays and Tuesdays.

8:20 pm, Commissioner Reed moved to close the public hearing, Commissioner Gardner seconded, Vote: 3-0.

Commissioner Reed moved that the town to go to single stream recycling, Commissioner Gardner seconded, Vote: 3-0.

Commissioner Reed moved to increase the sticker fees for the Transfer station as follows:

- Seniors (65+) flat fee would be \$115
- Transfer station flat fee sticker would be \$160
- Additional flat fee would be \$35
- Pay-as-you-Throw would be \$35
- Additional sticker would be \$20

Commissioner Gardner seconded, Vote: 3-0

Parking/beach sticker fees: the price of non-resident stickers haven't gone up in many years, Selectperson Battistelli questioned about going up incrementally for the seniors. The cost in Gloucester for non-resident stickers is approximately \$250. Commissioner Reed said if we raise the cost of non-resident stickers too high we could risk losing some revenue because less people may purchase them, currently the town receives in excess of \$16,000 in non-resident stickers.

T. Arsenian, 95 Granite St., inquired what the costs are that are trying to be covered. He said the costs shouldn't be increased unless the increases can be demonstrated. He said the IS&T budget has gone up significantly this year.

Commissioner Gardner said the DPW has been underinvested in for some time between equipment, paving, and personnel in the highway department. If we increase the fees we could have an unsympathetic public when we're asking for other funds. He said he is reluctant to increase the fees because we're taking a large hit here; 5,500 stickers are purchased by residents.

W. Hess said the value of the ability to park in Rockport is increasing. If you look after all the cuts and look at the percentage increase, the DPW at 2.9% is receiving the largest percentage increase in town. Most of the other town departments are being cut. The schools and town government are going up less than the DPW. Raising these fees is the easiest place to find revenue.

Commissioner Gardner moved to increase the cost of a non-resident sticker to \$150, seconded by Commissioner Reed, Vote: 3-0. Chairman Sena said we need to respond to public demands as well as financial demands and he said he prefers to increase fees across the board but not a huge increase.

Commissioner Gardner moved to increase the resident parking stickers as follows:

Senior (65+) Parking sticker \$25

Resident Parking Sticker \$35

Additional Senior (65+) \$25

Additional Parking sticker \$35

seconded by Commissioner Reed, Vote: 3-0.

Chairman Sena extended congratulations and appreciation to the DPW staff for their great work during the storm season.

8:00 PM Ongoing Business:

FY16 DPW Proposed Budget Review: Director Parisi said the highway position has been cut; standard hires for the summer would be limited to \$22,000, which means there will be a limited amount of summer help. We typically hire three public property employees for the summer for 14 weeks; this costs just under \$15,000. We typically hire one highway person for the summer, that has been eliminated, and we usually hire three part time solid waste workers that cost the town just under \$7,500. Sticker checking summer help will be cut in half, so we'll have eight weeks instead of 16 weeks. For sticker sales we will only be selling them on Thursdays and Fridays. Summer helps usually starts in mid-May. Chairman Sena said we will receive the same complaints as ever with seaweed on the beaches, overflowing trash barrels downtown, etc. D. Greel said with all the road damage due to the cold this winter, the roads could take two months to repair. Commissioner Gardner said cutting these positions may cost the town more in the end because the work will need to get done, so it could turn into overtime.

Selectperson Battistelli said she spent some time with the Town Administrator and S. Wilkinson, Chairperson of the Selectboard, looking at the numbers at the Monday night meeting. There were some items we wanted to be considered to keep in the budget. The Finance Committee has voted their budget. It was recommended that at Tuesday night's Board of Selectmen meeting, everyone should be looking at the same numbers to see if we can work this out. If some changes need to be made, a small percentage of the printed booklet won't be correct. J. Parisi said the DPW can be flexible as well and really take a look at what can be done.

W. Hess said when the Finance Committee voted Monday night, they had no idea what was happening tonight. If the meals tax goes through, that will bring in \$80,000. That balances our budget with the exception of the \$350,000 snow deficit issue that needs to be resolved.

Commissioner Reed said he understands the challenges here, but cutting personnel is not the place to go. He said we asked for the additional highway staff member because it is needed. Our equipment and buildings are in tough shape and there are some large money items needed.

T. Arsenian, 95 Granite St., inquired about the building study. Commissioner Gardner stated that the Town Administrator is handling that. He said we don't know if the study will give the DPW the information that is needed.

W. Hess said we need to build consensus and meet with all town departments and get something major underway over the next year or two to address some infrastructure issues.

W. Hess explained what excess levy is, he said proposition 2-1/2 was passed in the 70's. Cities and towns can increase their property taxes on existing housing stock by 2-1/2%. We can increase taxes by the new growth. Excess levy is when we add the town's expenses and revenues (tax and other revenue, stickers, etc.); the difference between the maximum amount we can tax and our expense budget is our excess levy, this year we had to have a \$150,000 excess levy. We need to have a cushion for things we don't know about yet.

2015 DPW Town Meeting Articles: Director Parisi said he has assigned some town meeting articles to each commissioner.

8:25 PM Other Issues of Discussion: Commissioner Reed met with the teacher from Manchester that has been involved with Green Communities. A presentation will be made to the Board of Selectmen.

Next Meeting: 4/15/15, 7pm

9:55 PM Commissioner Gardner moved to adjourn, seconded by Commissioner Reed, Vote: 3-0.

Tickler List:

Cell tower lease funds
Green Communities/Energy efficiency
Sewer use regulations
Transfer Station Redesign
DPW Facility